

*Outgoing
M/04/3/0019.
Sent by email
4/20/2010*

From: Paul Baker
To: Howell, Ron
Date: 4/20/2010 12:54 PM
Subject: Re: Mountain Valley Stone application

The attached file has the information you requested. I believe it's complete.

Please note that there are two issues involved with the suspension, and the main one is bonding. As far as we can determine, the conditions in our August 11, 2008, letter have not been met. As my most recent letter says, we have not been able to find record that Lot 26 is included in the bond, and the bond has not been increased to include this area. Brad Young thought there was correspondence from a few years ago specifically including a portion of Lot 26 in the bonded area, but neither of us has been able to find this letter.

>>> Ron Howell <ebmgt@yahoo.com> 4/16/2010 6:16 PM >>>

Paul

Please call me at (801) 597-0671 cell or at my office (801) 983-8000

Ed



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 11, 2008

Brad Young
Mountain Valley Stone
2276 South Daniels Road
Heber City, Utah 84032

Subject: Approval of Storage Area Amendment, Mountain Valley Stone, Brown's Canyon Quarry, M0430019, Task 2499, Summit County, Utah

Dear Mr. Young:

The Division approves your proposal to add a product storage area in the area shown in the revised Figure 2 submitted June 30, 2008. The Division will not require the reclamation surety to be increased at this time because:

1. The existing reclamation surety is adequate for reclamation of the entire site, including the new disturbance, in 2008 dollars. The existing surety is \$93,000.00 and includes escalation until 2011. Escalated to 2008, the required surety would be \$87,082.00 leaving a difference of \$5918.00. The amount required to reclaim the storage area is estimated to be \$4575.00 in 2008 dollars including contingency. This leaves an excess of \$1343.00.
2. The storage area is included within a proposal to increase the size of the disturbed area by 32.0 acres from 25.5 to 57.5 acres. The permitting process for this new area appears to be nearing completion, and approval is anticipated by the end of 2008 assuming there are no unexpected issues raised by the public, that deficiencies are addressed without delay, and that the revised reclamation surety for the expanded area is submitted promptly.

The following condition applies:

If the proposal to increase the disturbed area to 57.5 acres is not fully approved, including bonding, by December 31, 2008, the reclamation surety must be increased to \$98,000.00 which is the estimated cost to reclaim the mine, including the new 4.7-acre area, escalated to 2011 dollars. The increased surety would need to be submitted by January 31, 2009.

Brad Young
Page 2 of 2
M0430019
August 11, 2008

Enclosed with this letter is a copy of the new surface facilities map stamped approved.

Please contact Paul Baker at 801-538-5261 or by e mail at paulbaker@utah.gov if you have questions about this approval or the condition. Thank you for your cooperation.

Sincerely,



Dana Dean, P. E.
Associate Director of Mining

DD:PBB:pb

Enclosure: Approved Surface Facilities Map

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March 10, 2010

Incoming
M/043/0019
TAB 3422
cc: Leslie

0002

Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Attention: Leslie

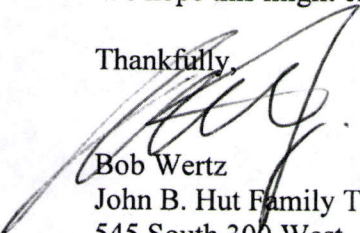
To Whom it May Concern,

It has come to our attention that there has been some question as to the surface ownership in two lots that our family owns in Browns Canyon. Ownership under the John B. Hut Family Trust. The Lots in question are known as Lot #26 and Lot #27. As of this date there have been no agreements signed for surface use with the mining company or the mineral rights owners on those lots.

The mineral rights owners on Lot #37, Garff Wright Resources do have an agreement on that lot only and have refused to continue that agreement on lots #26 and #27. As of this date they do not have any surface rights on Lots #26 and #27.

We hope this might clarify our position on this matter.

Thankfully,



Bob Wertz
John B. Hut Family Trust
545 South 300 West
Salt Lake City, Utah 84101

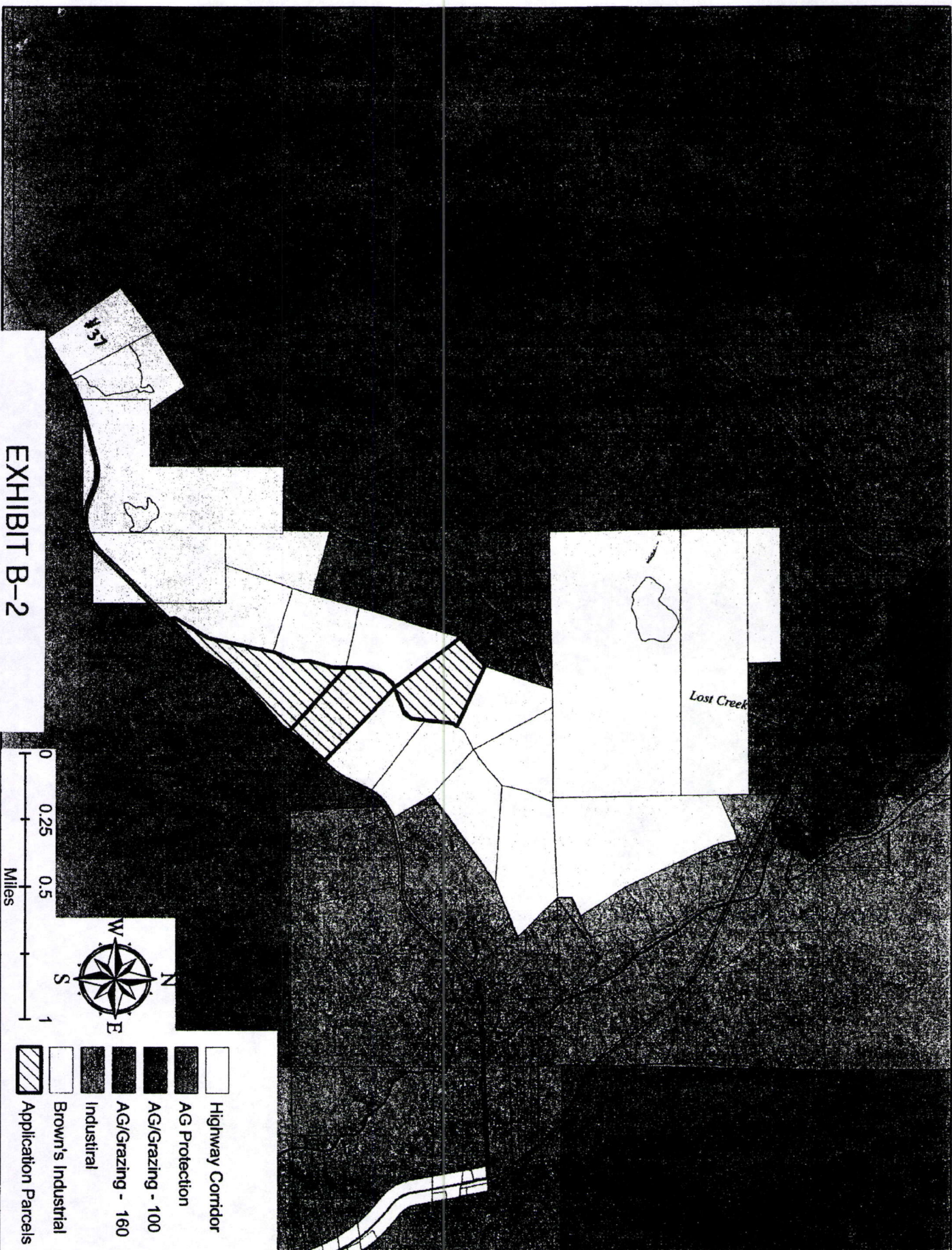
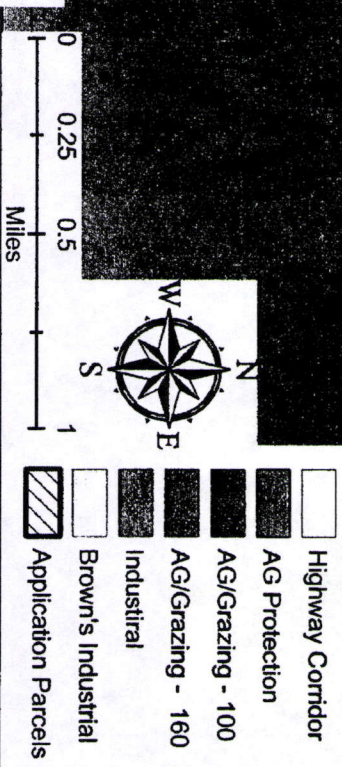
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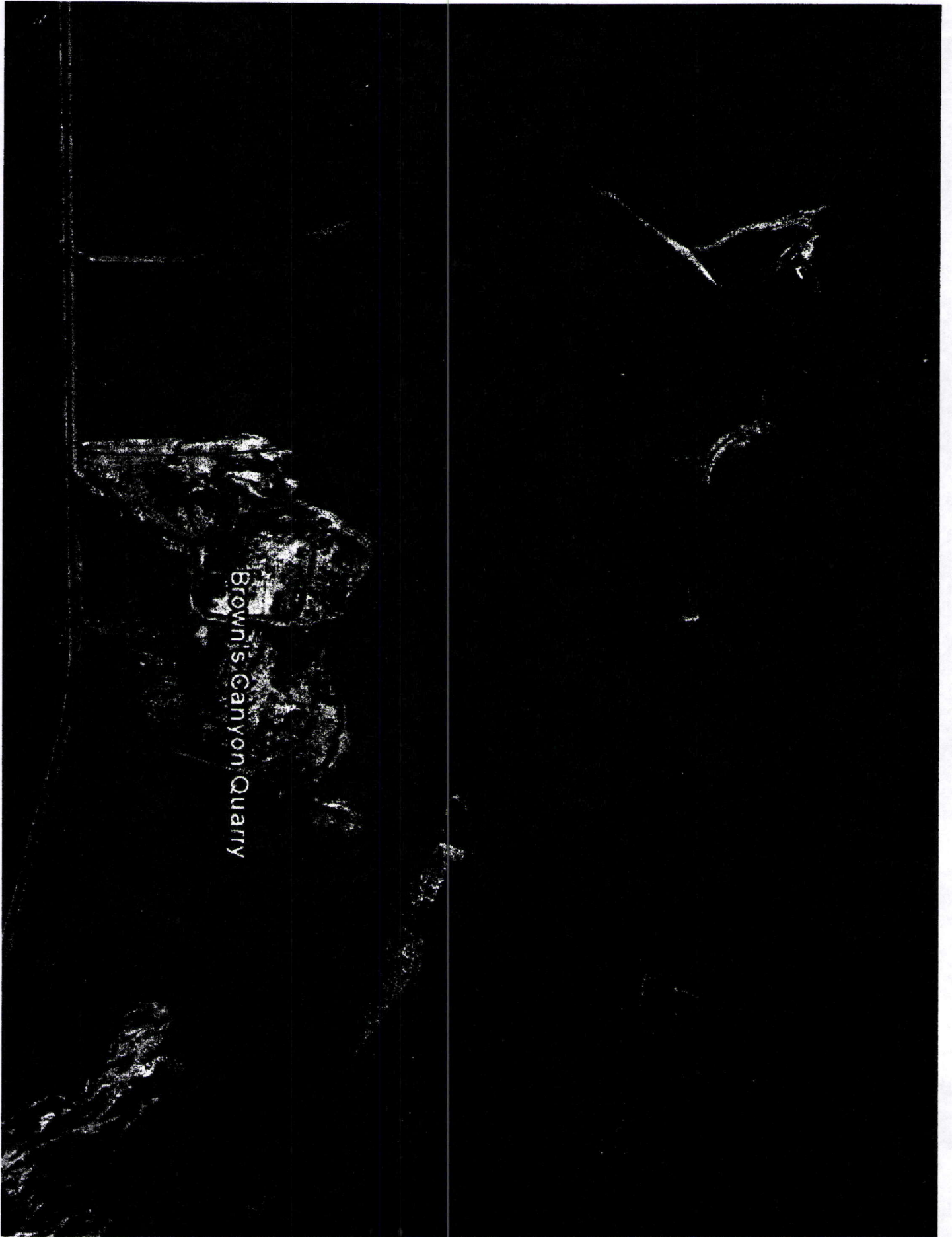
MAR 10 2010

DIV. OF OIL, GAS & MINING

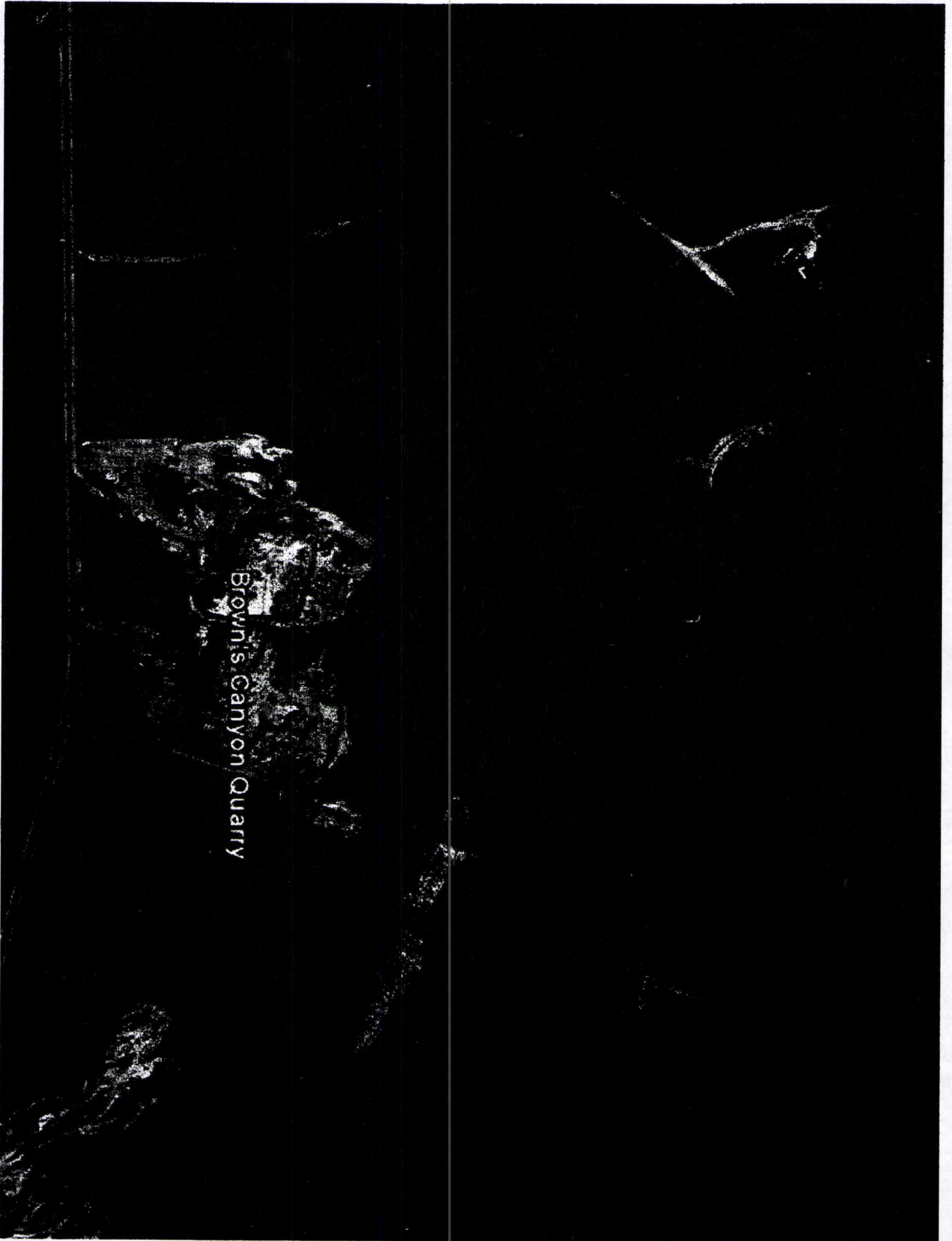
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EXHIBIT B-2





Brown's Canyon Quarry



Brown's Canyon Quarry



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
m/04/3/0019
TASK 3433

0001

March 11, 2010

Robert Hicken
Mountain Valley Stone, Inc.
2275 South Daniels Road
P.O. Box 985
Heber City, Utah 84032

Subject: Permit Amendment Required for Notice of Intention to Commence Large Mining Operations, Mountain Valley Stone, Inc., Browns Canyon Quarry, M/043/0019, Summit County, Utah

Dear Mr. Hicken:

The Division has received information indicating you do not have the right to enter Lots 26 and 27 as shown on Sheet SP-3 in your mine plan. The Division approved expansion of the mine into a portion of Lot 26 based on information in the plan indicating you have right of entry for this area and that it would be used for product storage with an associated road. The approval was also conditioned upon increasing the surety by January 31, 2009.

The Division requires that you provide one of the following by April 12, 2010:

- Two copies of an amended Notice of Intention to reflect the change in right of entry. Include the changes to text and the maps.

OR

- Adequate evidence that you have right of entry.

When the Division approved expansion into lot 26, it was done with the condition that if a larger proposal was not approved by December 31, 2008, the surety amount would need to be increased to \$98,000.00, which is escalated to 2011. The Division has not seen this increased surety, so **you do not have approval to have disturbance within lot 26.**



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Page 2

Robert Hicken

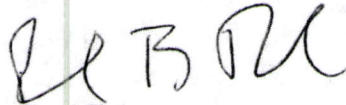
Mountain Valley Stone, Inc.

M/043/0019

March 11, 2010

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5261 or Leslie Heppler at 538-5257.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker

Minerals Program Manager

PBB:lah:vs

cc : Bob Wertz - John B. Hut Family Trust

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From: "brad" <brad@utahstone.com>
To: "Paul Baker" <paulbaker@utah.gov>
Date: 3/25/2010 10:14 AM
Subject: RE: Lot 26 Expansion

Paul,

I will look into it and get back with you.

Thanks

Brad

-----Original Message-----

From: Paul Baker [mailto:paulbaker@utah.gov]
Sent: Wednesday, March 24, 2010 5:28 PM
To: brad@utahstone.com
Subject: Lot 26 Expansion

Brad--

You mentioned in our phone call a few days ago that you thought the current bond includes expansion into lot 26, and you thought this had been approved a few years ago. I went through our files looking for documentation and basically couldn't find it. The best I found was a letter dated 10/26/2004 approving an amendment submitted 6/8/2004. The amendment was to add a scalehouse and temporary access road. Based on the maps submitted at the time, it does not appear this amendment included anything in lot 26.

Could you look and see what you can find?

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

Mountain Valley Stone, Inc.

Brad Young
Tel: (435) 654-0120
Fax: (435) 654-3337

2276 South Daniels Road
Heber City, UT 84032
brad@utahstone.com

To Whom It May Concern:

March 26, 2010

Mountain Valley Stone is working on obtaining a Conditional Use Permit from the Summit County Planning Department. The process has been met with some delay. The mineral rights owner and the land owner are negotiating a royalty agreement.

The additional bonding that was requested will be paid prior to our disturbance of additional acreage. Lot 26 has not been disturbed to date. Until such time as the Conditional Use Permit from the county can be finished we will not be mining on lot 26.

Sincerely,

Brad Young
HR Manager
Mountain Valley Stone
435-671-8265

RECEIVED

MAR 31 2010

Div. of Oil, Gas & Mining

From: "brad" <brad@utahstone.com>
To: ""Paul Baker"" <paulbaker@utah.gov>, ""Leslie Heppler"" <lheppler@utah.gov>
Date: 4/5/2010 7:37 AM
Subject: Additional Bonding
Attachments: Additional Bonding Letter.doc

CC: ""Robert Hicken"" <robert@utahstone.com>
Paul,

Attached is the letter that you asked for regarding the additional bonding and our disturbing lot 26. I have not been able to find the additional documentation for the bond information that you were requesting, but will continue to look.

Thanks

Brad Young

Mountain Valley Stone

435-654-3334

From: "brad" <brad@utahstone.com>
To: "'Paul Baker'" <paulbaker@utah.gov>
Date: 4/13/2010 8:36 AM
Subject: Letter from Last week

CC: "'Leslie Heppler'" <lheppler@utah.gov>
Paul and Leslie,

I wanted to make sure that you received the letter that I sent last week,
and that it met your satisfaction. Let me know if you need anything else.

Thanks

Brad Young

Mountain Valley Stone

435-671-8265



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2010

Robert Hicken
Mountain Valley Stone, Inc.
2275 South Daniels Road
P. O. Box 985
Heber City, Utah 84032

Subject: Suspended Approval to Mine on Lot 26, Mountain Valley Stone, Browns Canyon Quarry, M/043/0019, Summit County, Utah

Dear Mr. Hicken:

On March 11, 2010, the Division wrote and asked that you provide updated right of entry information for Lot 26 or adequate evidence that you have right of entry. On March 31, 2010, the Division received a letter from Brad Young stating that the minerals and surface owners are negotiating a royalty agreement and that Mountain Valley Stone is working to obtain a conditional use permit. The letter also stated that Mountain Valley Stone will not be mining on Lot 26 until the conditional use permit is finalized.

By letter dated August 11, 2008, the Division approved expansion into Lot 26 conditional upon approval of a larger proposal or of an increase to the reclamation surety. In telephone conversations, Mr. Young has indicated he thought the expansion area was already included in the area covered by the existing reclamation surety, but neither of us has been able to confirm this.

Because of the uncertainty whether the current surety covers Lot 26, and because of the questions regarding right of entry into Lot 26, the Division has decided to suspend its approval to conduct mining operations within this area. To remove this suspension, please provide:

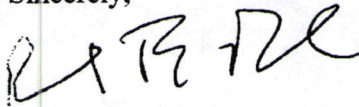
1. Additional surety to increase the total reclamation surety to \$98,000, or verification that Lot 26 is already included in the bonded area; and,
2. Substantiation that Mountain Valley Stone has the right to enter and begin mining operations in Lot 26.



Page 2
Robert Hicken
Mountain Valley Stone, Inc.
M/043/0019
April 14, 2010

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have questions about this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB:vs

cc: Bob Wertz, 545 S. 300 W., Salt Lake City, Utah 84101
Ed Rogers ebmgt@yahoo.com

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